

Memorandum



Date: December 19, 2006

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

Agenda Item No. 8(F)(1)(A)

From: George M. Burgess
County Manager

A handwritten signature in black ink, appearing to read "G. Burgess", written over the printed name of George M. Burgess.

Subject: Cancellation of "Invitation to Bid No. 8 For Sale of
County-owned Lots Under the Infill Housing Initiative"

RECOMMENDATION

It is recommended that the Board approve the attached resolution canceling "Bid No. 8 for Sale of County-owned Lots Under the Infill Housing Initiative." It is further recommended that the deposits submitted by the high bidders be returned with 4.5% interest, which is based on the average monthly interest rate earned by the County during the past year. The interest rate will be calculated from the date the deposit was accepted by the County to the date the deposit was returned to the individual bidders.

BACKGROUND

Resolution No. R-432-00, approved by the Board on May 9, 2000, directed the County Manager to identify lots for the Infill Housing Initiative and sell them to the highest bidders through competitive bidding. In June 2005, the County issued Invitation to Bid (ITB) for "Bid No. 8 for Sale of County-owned Lots under the Infill Housing Initiative." The ITB offered the 33 lots listed in "Exhibit A" for sale to the highest bidder. The lots were divided by location into ten groups. No minimum bid amount was set for any of the groups. The ITB was advertised in the Miami Daily Business Review during the third and fourth weeks of June 2005. The ITB was also advertised on the Miami-Dade County website. GSA distributed seventy-two packages upon request, and more than 300 were downloaded from the website. A non-mandatory Pre-Bid Conference was held on June 29, 2005, and bids were opened on July 21, 2005. A total of 130 bids were received for the 10 groups of properties. The highest responsive bidders were as follows:

Group No.	Number of lots	# of Bids Received	Highest Responsive Bidder	High Bid Amount
1	2	13	GOL Marketing, LLC	\$ 60,000.00
2	4	The two high responsive bidders failed to submit the required documentation and were deemed non-responsive.		
3	4	13	MD Developers, LLC	\$ 121,121.00
4	2	18	GEC Investment, Inc.	\$ 72,000.00
5	5	10	MD Developers, LLC	\$ 151,151.00
6	2	17	GEC Investment, Inc.	\$ 56,000.00
7	6	9	VES Enterprises, Inc.	\$ 78,278.22
8	5	7	All State Florida Builders, Inc.	\$ 110,000.00
9	2	13	Llanes and Company	\$ 49,985.00
10	5	15	VES Enterprises, Inc.	\$ 285,756.00

The principals of the corporations are listed in Exhibit "B."

REASON FOR CANCELLATION:

At the time of this ITB, the process for competitively bidding lots under the Infill Housing Program called for high bidders to submit a financial plan outlining how they were going to finance the construction of the homes. Submission of this plan was required prior to any award by the Board. The process was substantially delayed at the outset when several of the high bidders lagged in providing the required information. The process was particularly delayed by the results of Group 2, when first, the high bidder, and subsequently, the second high bidder, failed to provide the information, and were disqualified from the process. None of the lots in Group 2 were recommended for award. By the time that a recommendation for award of Bid No. 8 was ready for submission to the Board for action, concerns were raised regarding the experience of the high bidders, among other issues. With the commencement of a top-to-bottom review of the Infill Housing Program in February 2006, staff elected not to make a final recommendation on the award of these lots until the completion of the review process.

The recently completed Infill Housing Program review has resulted in substantial changes to the methodology for awarding lots, as well as in the conditions under which lots are conveyed. For example, infill lots will only be offered to qualified developers, as determined via a Request for Qualifications (RFQ) process. Lots will likely be conveyed at fixed administrative fees, rather than via competitive bids that artificially increase the final cost of housing. Lots will be conveyed with revised deed language and restrictive covenants to protect long-term affordability. In addition, the majority of the lots in this ITB – as with other lots conveyed under the previous infill procedures – require some sort of corrective action e.g. zoning variance, platting, etc. Under the previous process, developers were responsible for correcting the problems, which has historically made it difficult to hold them to performance standards and timetables. However, under the new process, the County will be correcting the problems prior to conveying lots to developers, leaving them with lots that are immediately ready for permitting and construction.

Rather than continuing to perpetuate past problems, and to ensure that all future lot conveyances are made consistently, it is my recommendation that Bid No. 8 be cancelled and bidders be returned their deposits. In view of the lengthy period that this process has been delayed, and the hardship that this may have created for the prospective bidders, I am additionally recommending that the bidders be granted interest on their deposits.

FINANCIAL IMPACT

This bid would have generated \$984,291.22 in revenue. The total accrued interest to be paid on the deposit is estimated at \$3,221.87.


Assistant County Manager


Assistant County Manager

Exhibit "A"
Invitation to Bid No. 8
For Sale of County-Owned Lots Under the Infill Housing Initiative

Highest Responsive Bidder	Folio Number	Address	Dim.	Size (SF)	Assessed Value	Zoning	District
Gol Marketing LLC	Group No. 1						
9725 NW 52 Street #215	01-31112-014-0050	Adjacent (N) 7817 NE 1 Ave	40 X 140	5,690	\$22,760	C-1	3
Doral, FL 33178	01-31113-024-2510	6747 NW 4 CT	40 X 100	4,000	\$8,895	R-2	3
Amount bid for this Group: \$60,000							
THERE WERE NO RESPONSIVE BIDDERS FOR THIS GROUP OF PROPERTIES.							
MD Developers, LLC	Group No. 2						
3029 NE 183 Lane	01-31114-017-0200	1466 NW 71 St	45 X 92	4,140	\$7,928	R-1	2
Aventura, FL 33160	01-31114-017-0230	1465 NW 69 Terrace	45 X 90	4,050	\$14,007	R-1	2
Amount bid for this Group: \$121,121	01-31114-019-0540	741 NW 69 ST	50 X 158	7,900	\$32,775	R-3	2
	01-31114-020-1040	1277 NW 70 St	50 X 108	5,400	\$17,795	R-1	2
GEC Investment, Inc.	Group No. 3						
420 NW 120 Avenue	30-21334-011-1680	1832 NW 112 St	50 X 106	5,300	\$16,180	RU-1	2
Miami, FL 33182	30-21334-012-0850	2347 NW 103 ST	85 X 90	7,650	\$29,320	RU-2	2
Amount bid for this Group: \$72,000	30-21335-023-0350	1363 NW 114 St	75 X 109	8,175	\$28,285	RU-1	2
	30-21335-025-0170	Adjacent (W) of 1200 NW 113 Terrace	75 X 91	6,825	\$24,773	RU-1	2
GEC Investment, Inc.	Group No. 4						
420 NW 120 Avenue	30-3102-006-0150	Adjacent (west) of 1200 NW 103 St	50 X 106	5,300	\$13,522	RU-2	2
Miami, FL 33182	30-3102-010-0630	Adjacent (east) of 1438 NW 99 St	70.40 X 142	9,997	\$14,635	RU-1	2
Amount bid for this Group: \$151,151							
MD Developers, LLC	Group No. 5						
3029 NE 183 LN	30-3103-008-0260	2120 NW 98 ST	50 X 105	5,250	\$20,751	RU-3B	2
Aventura, FL 33160	30-3103-011-0250	1900 NW 93 ST	50 X 105	5,250	\$8,389	RU-2	2
Amount bid for this Group: \$151,151	30-3103-019-0530	Adjacent (east) of 9941 NW 21 Ave	100 X 140	14,000	\$24,323	RU-3B	2
	30-3103-019-0911	Adjacent (east) of 1935-37 NW 96 St	50 X 140	7,000	\$12,161	RU-3B	2
	30-3110-004-0010	2600 NW 83 St	75 X 87	6,525	\$18,898	RU-1	2
GEC Investment, Inc.	Group No. 6						
420 NW 120 Avenue	30-3111-032-0080	7429 NW 13 Ave	75 X 93	6,975	\$9,323	RU-1	2
Miami, FL 33182	30-3111-035-0630	765-67 NW 77 St	50 X 105	5,250	\$11,656	RU-2	2

Exhibit "A"
Invitation to Bid No. 8
For Sale of County-Owned Lots Under the Infill Housing Initiative

Amount bid for this Group: \$56,000

Highest Responsive Bidder

VES Enterprises, Inc.

14629 SW 104 Street Ste.306

Miami, FL 33186

Amount bid for this Group: \$78,278.22

Folio Number	Address	Dim.	Size (SF)	Zoning	Assessed Value	District
<u>Group No. 7</u>						
30-3111-039-0150	1494 NW 73 ST	25 X 100	2,500	RU-1	\$3,280	2
30-3111-039-0160	1500 NW 73 ST	50 X 100	5,000	RU-1	\$6,560	2
30-3111-039-0170	1508 NW 73 ST	25 x 100	2,500	RU-1	\$19,546	2
30-3111-040-0020	Adjacent (west) of 1479 NW 84 St	41.74 X 143	5,969	RU-1	\$6,956	2
30-3111-041-0120	7968 NW 14 Pl	50 X 93	4,650	RU-2	\$11,139	2
30-3111-047-0120	8032 NW 10 Ave	71.10 X 108	7,679	RU-2	\$17,681	2

All State Florida Builders, Inc.

7311 South Waterway Drive

Miami, FL 33155

Amount bid for this Group: \$110,000

<u>Group No. 8</u>						
30-3115-017-0310	2030 NW 70 ST	50 X 140	7,000	RU-2	\$17,931	2
30-3115-017-0360	Adjacent (south) of 6938 NW 20 Ave	65 X 100	6,500	RU-2	\$19,189	2
30-3115-043-0470	Adjacent (east) of 2488 NW 67 St	50 X 140	7,000	RU-2	\$17,931	2
30-3116-000-0440	317? NW 69 ST	80 X 91	7,280	R-1	\$12,583	2
30-3116-006-0060	3041 NW 64 ST		5,772	RU-1	\$18,590	2

Llanes and Company

Po Box 5805

Surfside, FL 33154

Amount bid for this Group: \$49,985

<u>Group No. 9</u>						
30-3121-026-0700	2948 NW 45 St	57 X 87	4,959	RU-2	\$42,047	3
30-3121-028-0600	3055 NW 44 St	45 X 87	3,915	RU-2	\$13,605	3

VES Enterprises, Inc.

14629 SW 104 Street Ste.306

Miami, FL 33186

Amount bid for this Group: \$285,756

<u>Group No. 10</u>						
30-5032-000-0930	10254 SW 178 St		11,138.00	S.F.	\$12,809.00	9
30-5032-012-0770	10450 SW 181 St	82 X 273	22,386.00	S.F.	\$15,810.00	9
30-6018-003-0960	Adjacent (south) of 21831 SW 11 Ave	87.5 X 100	8,750.00	S.F.	\$10,245.00	9
30-6018-003-0970	3 lots adjacent (west) of 10995 SW 219 St	109 X 100	10,900.00	S.F.	\$12,073.00	9
30-6018-004-0490	2 lots adjacent (east) of 10720 SW 218 St	76.95 X 139	10,696.00	S.F.	\$10,330.00	9

Exhibit "B"

LIST OF PRINCIPALS OF HIGH BIDDERS

Company	Principal (s)	Ownership %
GOL Marketing LLC 9725 NW 52nd Street #215 Doral, Fl 33178	Javier M. Tafur	100%
MD Developers, LLC 21300 San Simeon Way #R-10 Miami, Fl. 33179	Diego Saal Marc Fleisman	50% 50%
GEC Investment, Inc. 420 NW 120th Avenue Miami, Fl. 33182	Erick Gomez Caridad Gomez	50% 50%
All State Florida Builders, Inc 7311 South Water Way Drive Miami, Fl. 33155	Humberto Rodriguez	100%
Llanes and Company 140 Bay Road #401 Miami, Fl. 33139	Andres O. Llanes	100%
VES Enterprises, Inc. 14629 SW 104th Street #306 Miami, Fl. 33186	Juan Carlos Escobar	100%



MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: December 19, 2006

FROM: Murray A. Greenberg
County Attorney

SUBJECT: Agenda Item No. 8(F)(1)(A)

Please note any items checked.

- ☐ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Bid waiver requiring County Manager's written recommendation
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ Housekeeping item (no policy decision required)
- ☐ No committee review

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(F)(1)(A)
12-19-06

RESOLUTION NO. _____

RESOLUTION CANCELING "INVITATION TO BID NO. 8 FOR SALE OF COUNTY-OWNED LOTS UNDER THE INFILL HOUSING INITIATIVE" AND AUTHORIZING THE RETURN OF THE DEPOSITS WITH FOUR AND ONE-HALF PERCENT INTEREST COMPOUNDED DAILY STARTING FROM THE DATE THE DEPOSIT WAS ACCEPTED BY THE COUNTY TO THE DATE THE DEPOSIT WAS RETURNED

WHEREAS, this Board passed Resolution No. R-432-00 on May 9, 2000 directing the County Manager to identify lots for the Infill Housing Initiative and offer them for sale to the highest responsive bidder in accordance with Florida Statute 125.35; and

WHEREAS, Invitation to Bid No. 8 For Sale of County-owned Lots Under the Infill Housing Initiative was issued offering the sale of thirty-seven County-owned lots divided into ten groups to the highest responsive bidder with development restrictions; and

WHEREAS, this Board desires to cancel the award of Infill Bid No. 8 and return their earnest money deposit with additional four and one-half percent interest compounded daily calculated from the date the deposit was received to the date it was returned,

The foregoing resolution was offered by Commissioner
who moved its adoption. The motion was seconded by Commissioner
and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman	
Dennis C. Moss, Vice-Chairman	
Bruno A. Barreiro	Jose "Pepe" Diaz
Audrey M. Edmonson	Carlos A. Gimenez
Sally A. Heyman	Barbara J. Jordan
Dorrian D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this
19th day of December, 2006. This resolution shall become effective ten (10) days after
the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become
effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Jorge Martinez-Esteve